IRAN: FACTORS AFFECTING THE CRISIS

Ayatollah Khomeini's comments reiterating support for extraditing the Shah and giving the National Assembly responsibility for dealing with the hostages probably are not a reversal of his position. It is more likely that President Bani-Sadr and other officials have overstated Khomeini's willingness to accept a compromise and that the Ayatollah has consistently favored a hardline solution.

Khomeini

We have no evidence to suggest that Khomeini ever accepted the "gentlemen's agreement" negotiated by the UN. Khomeini's support for
Bani-Sadr since the 25 January election probably reflected his desire to consolidate the Islamic Republic rather than a desire to end
the hostage crisis. Turning the issue over to the Assembly may also
reflect concern about ensuring continuity in a succession struggle.

Our analysts are divided over just what Khomeini wants as concessions from the US. Some hold that his demand that the Shah be returned is not negotiable. Khomeini sees the deposed monarch as "Satan on Earth" and as the embodiment of the past US role in Iran, and blames the Shah for the death of his eldest son. Khomeini sees the return of the Shah as essential to consolidating the Islamic Republic.

The other group believes that Khomeini is primarily concerned with $^{\prime\prime}$ turing the hostage issue to political advantage in furthering the

final establishment of the Islamic Republic, presumably after next month's parliamentary elections. This interpretation holds out the possibility that Khomeini will choose to resolve the crisis when he feels that the US has been sufficiently humiliated so that it can no longer interfere in Iranian affairs.

Both groups agree that the Iranians will probably continue to press Panama to return the Shah whatever the outcome of the hostage crisis. Khomeini expects the UN Commission to convince the world that Iran's case against the Shah is justified; he may also hope that its findings will increase pressure on Panama to return the Shah.

The Assembly

It is too early to tell how the election will turn out. The most likely outcome is a divided Assembly, unsure of its responsibilities and eager to establish its revolutionary credentials. Whomever the deputies owe allegiance to, they will want to move cautiously on the hostage issue and will probably demand further concessions from the US.

Itals

In any case, Khomeini could always overrule the Assembly. One report suggests that some clerics already believe he will do so if the legislature makes an unpopular decision.

Bani-Sadr's Position

Bani-Sadr has reacted to Khomeini's recent comments by moving, at least temporarily, to identify himself more closely with the captors. The Bazargan government collapsed in part because of its perceived close identification with the US, and Bani-Sadr will probably pressfor more US concessions in order to demonstrate his independence.

Thats

Bani-Sadr's position and influence remain subject to the political infighting in Khomeini's entourage. Ahmad Khomeini, the Ayatollah's son, reportedly backs the militants, while Ayatollah Beheshti opposes both the captors and Bani-Sadr. /One source reports that the clerics recently succeeded in overruling Bani-Sadr's efforts to replace Ghotbzadeh. The more power Bani-Sadr accrues, the more his opponents will tend to unite against him and feel inclined to use the hostage issue against him.

Bani-Sadr is inclined to impetuous action, and he could resign if he becomes impatient.

An important indication of Bani-Sadr's influence in the near term will be whether the UN investigators meet with the hostages. Bani-Sadr has said they will, but the militants have refused.

Other Potential Pitfalls

The militants' willingness to allow the Assembly to decide the hostage issue is a positive development but one that the militants can easily renege on. They can always appeal over the Assembly to Khomeini.

Khomeini's health is also a factor. His doctors apparently will not let him return to Qom. His death would remove the only figure who can command the militants. In the ensuing power struggle, the bostages' incarceration would be further prolonged.

A new upsurge in unrest in Iran could also divert attention from the hostage issue. Ayatollah Shariat-Madari is now in Tehran; should he move to his native Azarbayjan, prospects for unrest there would increase. New outbreaks of trouble elsewhere are equally possible.

Iran's relations with the USSR could also deteriorate sharply if Tehran follows through on its pledges of increased support for the Approved For Release 2006/10/05: CtA-RDP81B00401R000500100004-4

Afghan resistance. While a worsening of Iranian-Soviet relations might incline some in Iran toward greater flexibility on the hostages, it could also divert Iranian attention from the issue.